

BALL JANIK LLP

A T T O R N E Y S

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RECORDATION NO. 22706-D FILED

SEP 13 '01 12:53 AM

SURFACE TRANSPORTATION BOARD

lgitomer@bjllp.com

September 13, 2001

Honorable Vernon A. Williams  
Secretary  
Surface Transportation Board  
Washington, DC 20423

Dear Secretary Williams:

I have enclosed the original and one certified copy of the document described below, to be recorded pursuant to 49 U.S.C. § 11301.

The document is a Partial Release of Security Agreement, a secondary document, dated as of May 24, 2001. The primary document to which this is connected is recorded under Recordation No. 22706. We request that one copy of this document be recorded under Recordation No. 22706-D.

The name and address of the party to the Partial Release of Security Agreement is:

Secured Party:

The Chase Manhattan Bank  
270 Park Avenue  
New York, NY 10017

A description of the equipment covered by the Partial Release of Security Agreement consists of 30 100T, 7000-cubic foot capacity, open top hopper railcars numbered KCS 503011, 503070, 503096, 503126, 503134, 503185, 503193, 503266, 503274, 503312, 503321, 503339, 503355, 503398, 503436, 503487, 503495, 503509, 503525, 503533, 503541, 503550, 503568, 503576, 503754, 503797, 503851, 503886, 504203, and 504246.

BALL JANIK LLP

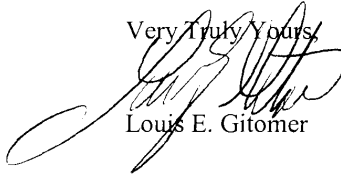
Honorable Vernon A. Williams  
September 13, 2001  
Page 2

A fee of \$28.00 is enclosed. Please return one original to:

Louis E. Gitomer  
Of Counsel  
Ball Janik LLP  
Suite 225  
1455 F Street, N.W.  
Washington, DC 20005

A short summary of the document to appear in the index follows: a Partial Release of Security Agreement by The Chase Manhattan Bank, 270 Park Avenue, New York, NY 10017, covering 30 100T, 7000-cubic foot capacity, open top hopper railcars numbered KCS 503011, 503070, 503096, 503126, 503134, 503185, 503193, 503266, 503274, 503312, 503321, 503339, 503355, 503398, 503436, 503487, 503495, 503509, 503525, 503533, 503541, 503550, 503568, 503576, 503754, 503797, 503851, 503886, 504203, and 504246.

Very Truly Yours,

A handwritten signature in dark ink, appearing to read 'Louis E. Gitomer', is written over the typed name. The signature is fluid and cursive, with a long horizontal stroke extending to the left.

Louis E. Gitomer

Enclosures

PARTIAL RELEASE  
OF  
SECURITY AGREEMENT

RECORDATION NO. 22706-D FILED

SEP 13 '01 12-53 AM

SURFACE TRANSPORTATION BOARD

This Partial Release of Security Agreement ("Release"), dated as of the 24<sup>th</sup> of May, 2001, is made by THE CHASE MANHATTAN BANK, ("Chase"), as collateral agent (in such capacity, the "Collateral Agent") for the Secured Parties (as defined in the Credit Agreement referred to below), on behalf of KANSAS CITY SOUTHERN INDUSTRIES, INC., a Delaware corporation ("Holdings"), THE KANSAS CITY SOUTHERN RAILWAY COMPANY, a Missouri corporation (the "Borrower"), GATEWAY EASTERN RAILWAY COMPANY, an Illinois corporation ("Grantor"), GATEWAY WESTERN RAILWAY COMPANY, an Illinois corporation ("Grantor") (said Grantors collectively, together with each other Subsidiary of Holdings listed on Schedule 1 to the Security Agreement referred to below or subsequently becoming a party to such agreement, the "Subsidiary Grantors"; Holdings, the Borrower and the Subsidiary Grantors being referred to collectively as the "Grantors").

WHEREAS, the Grantors and the Collateral Agent have entered into a certain Security Agreement, dated as of January 11, 2000 (the "Security Agreement"), which is related to (a) the Credit Agreement dated as of January 11, 2000 (as amended, supplemented or otherwise modified from time to time, the "Credit Agreement"), among Holdings, the Borrower, the lenders from time to time party thereto (the "Lenders") and Chase, as administrative agent (in such capacity, the "Administrative Agent"), collateral agent (in such capacity, the "Collateral Agent") and issuing bank (in such capacity, the "Issuing Bank"), and (b) the Guarantee Agreement and the other Loan Documents referred to in the Credit Agreement. (Unless the context otherwise requires, all capitalized terms used but not otherwise defined herein shall have the meanings set forth in the Security Agreement or in the Credit Agreement.); and

WHEREAS, the Security Agreement was recorded at the Surface Transportation Board on January 13, 2000 at 4:05 p.m. under Recordation Number 22706: and

WHEREAS, under the Security Agreement, each Grantor mortgages and pledges to the Collateral Agent, its successors and assigns, for the ratable benefit of the Secured Parties, and grants to the Collateral Agent, its successors and assigns, for the ratable benefit of the Secured Parties, a security interest (the "Security Interest") in, all such Grantor's right, title and interest in, to and under the Collateral; and

WHEREAS, the Borrower, in a transaction that is not prohibited by the Credit Agreement, desires to sell certain railroad cars that are part of the Collateral, and the Collateral Agent, pursuant to Section 9.14 of the Credit Agreement, desires to grant a release from the Security Interest as to such railroad cars.

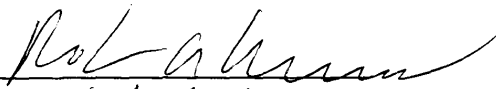
NOW, THEREFORE, in consideration of the foregoing, the Collateral Agent does hereby forever and absolutely remise, convey and release all of its right, title and interest in, to and under the following property:

AAR Car Type K347: 100T, 7000-cubic foot capacity, open top hopper railcars

KCS 503011	KCS 503070	KCS 503096	KCS 503126
KCS 503134	KCS 503185	KCS 503193	KCS 503266
KCS 503274	KCS 503312	KCS 503321	KCS 503339
KCS 503355	KCS 503398	KCS 503436	KCS 503487
KCS 503495	KCS 503509	KCS 503525	KCS 503533
KCS 503541	KCS 503550	KCS 503568	KCS 503576
KCS 503754	KCS 503797	KCS 503851	KCS 503886
KCS 504203	KCS 504246		

IN WITNESS WHEREOF, each of the undersigned pursuant to due corporate authority has caused this Partial Release of Security Agreement to be executed in its respective corporate name by an officer duly authorized, and hereby declares pursuant to 28 U.S.C. § 1746 under penalty of perjury that this is a true and correct document and was executed as of the date herein first set forth above.

THE CHASE MANHATTAN BANK

By:   
Name: Robert A. Krause  
Title: Vice President

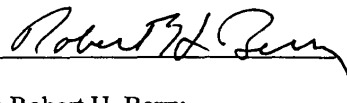
### SECTION 2.11(c) CERTIFICATE

Pursuant to Section 2.11(c) of that certain Credit Agreement (the "Credit Agreement") dated as of January 11, 2000, among The Kansas City Southern Railway Company ("Borrower") and The Chase Manhattan Bank, as Administrative Agent, and certain other lenders (collectively, "Lender"), the undersigned hereby have requested that Lender release a portion of the collateral encumbered under the Credit Agreement, as more particularly described on Exhibit A attached hereto and made a part hereof ("Railcars"). All terms capitalized and not defined herein shall have the meanings given to such terms in the Credit Agreement. The undersigned hereby certifies that:

- (a) The Railcars have been sold to The Arkansas and Missouri Railroad Company for the total sum of **\$738,000.00**;
- (b) The Net Proceeds of the sale of the Railcars shall be, within 180 days after receipt of such Net Proceeds, used to acquire real property, equipment, or other tangible assets to be used in the business of the Borrower and the Subsidiaries;
- (c) The Railcars have been sold for fair market value; and
- (c) There is no Default or Event of Default that has occurred and is continuing under the Credit Agreement.

IN WITNESS WHEREOF, I have hereunto set my name this 2nd day of July, 2001.

THE KANSAS CITY SOUTHERN RAILWAY  
COMPANY

By: 

Name: Robert H. Berry

Title: Sr. Vice President & Chief Financial Officer

Exhibit A  
Description of Railcars

Number: KCS 503011  
Type: AAR Car Type K347

Number: KCS 503096  
Type: AAR Car Type K347

Number: KCS 503134  
Type: AAR Car Type K347

Number: KCS 503193  
Type: AAR Car Type K347

Number: KCS 503274  
Type: AAR Car Type K347

Number: KCS 503321  
Type: AAR Car Type K347

Number: KCS 503355  
Type: AAR Car Type K347

Number: KCS 503436  
Type: AAR Car Type K347

Number: KCS 503495  
Type: AAR Car Type K347

Number: KCS 503525  
Type: AAR Car Type K347

Number: KCS 503541  
Type: AAR Car Type K347

Number: KCS 503568  
Type: AAR Car Type K347

Number: KCS 503754  
Type: AAR Car Type K347

Number: KCS 503851  
Type: AAR Car Type K347

Number: KCS 504203  
Type: AAR Car Type K347

Number: KCS 503070  
Type: AAR Car Type K347

Number: KCS 503126  
Type: AAR Car Type K347

Number: KCS 503185  
Type: AAR Car Type K347

Number: KCS 503266  
Type: AAR Car Type K347

Number: KCS 503312  
Type: AAR Car Type K347

Number: KCS 503339  
Type: AAR Car Type K347

Number: KCS 503398  
Type: AAR Car Type K347

Number: KCS 503487  
Type: AAR Car Type K347

Number: KCS 503509  
Type: AAR Car Type K347

Number: KCS 503533  
Type: AAR Car Type K347

Number: KCS 503550  
Type: AAR Car Type K347

Number: KCS 503576  
Type: AAR Car Type K347

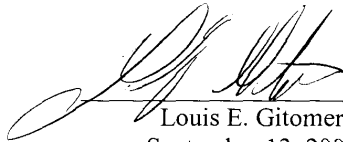
Number: KCS 503797  
Type: AAR Car Type K347

Number: KCS 503886  
Type: AAR Car Type K347

Number: KCS 504246  
Type: AAR Car Type K347

# CERTIFICATION

I, Louis E. Gitomer, have compared this copy to the original Partial Release of Security Agreement dated as of May 24, 2001 and found the copy to be complete and identical in all respects to the original document. I declare under penalty of perjury that the foregoing is true and correct.



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Louis E. Gitomer  
September 13, 2001